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ROLE IN NICARAGUA DESCRIBED BY U.S.

Administration Says Contacts With Rebels Were Legal

By GERALD M. BOYD

Special to The New York Times

WASHINGTON, Aug. 8 — The Reagan Administration acknowledged today that officials on the National Security Council were involved in the operations of the insurgents who are seeking to topple the Nicaraguan Government.

In providing the confirmation, officials and President Reagan said the Administration had not violated United States laws regulating covert operations or prohibiting direct American assistance to the rebels.

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"We're not violating any laws," Mr. Reagan said in signing legislation that provides \$27 million in nonmilitary assistance to the rebels over the next two years. The measure was part of a \$25.4 billion foreign aid bill.

"I am particularly pleased that the Congress approved the renewal of aid to the Nicaraguan freedom fighters," he said before he signed the bill.

The involvement in covert operations in Nicaragua by the National Security Council, a branch of the White House, was criticized by members of Congress and some leading national security officials in past administrations.

"It just makes it unmistakably clear that it's our war." said Representative Anthony C. Beilenson, Democrat of California, a member of the House Permanent Select Committee on Intelligence. "They are waging it in every way except with American troops."

Reflecting similar concern. Adm. Stansfield Turner, Director of Central Intelligence under President Carter, said that "it's most improper" for the National Security Council to play a role similar to one that Congress had barred the Central Intelligence Agency from performing

from performing.

"It may not break the law." he said,
"but it's ridiculous when the C.I.A. had
to be kept at arm's length from the contras to have another arm of Government doing exactly the same thing."

The criticism came in response to a report today in The New York Times, attributed to senior Administration officials and members of Congress, that the rebels have been receiving direct military advice from National Security Council officials in an occration run by a military officer in the Wnite House.

Official Explains Operation

A White House official who is intimately familiar with the operation said there was a perception in the Administration that Congress did not understand the feelings of Nicaragua's neighbors. Those countries "want constant reassurance," the official said.

This official explained the White House efforts by saying: "If the Soviet Union metaphysically is equated to an ancient, evil empire, then to the extent we can, we ought to attack it by going at the colonies. We don't do it well now. Central America is the first opportunity to do it right."

The Administration had first commented on the role of National Security Council officials at a morning press briefing. Reading a prepared statement, Larry Speakes, the White House spokesman, said contacts had been made but no laws had been broken.

"No member of the National Security Council staff has, at any time, acted in violation of either the spirit or the letter of existing legislation dealing with U.S. assistance to the democratic resistance in Nicaragua," he said.

"Contacts have been made from time to time for the purpose of receiving information and for fostering contacts," he added, "such as was done at the time the President met with the democratic resistance leaders."

He was referring to a dinner that Mr. Reagan attended in Washington in April to raise funds for the Nicaraguan Refugee Fund. The President pleaded then and later for Congress to approve assistance for the rebels.